

Industry Groups Want Congress to Update Offshore Drilling Rules

By the OGJ Online Staff

WASHINGTON, DC, Feb. 13 --A coalition of industry trade groups representing majors and independents is unhappy with pending legislation designed to update federal coastal zoning laws. They say the bill may further discourage offshore drilling.

"Issues associated with the coastal zone management process represent a significant threat to the energy industry's ability to explore for and produce offshore oil and natural gas," said the group, which wrote Rep. Wayne Gilchrest (R-Md.), chairman of the Subcommittee on Fisheries, Conservation, Wildlife and Oceans Feb. 4. Gilchrest's subcommittee Feb. 8 unanimously agreed to revisions to the 1972 Coastal Zone Management Act.

CZMA allows coastal states to review offshore drilling even if it is proposed in federal waters.

Although the federal government technically has the final say over activity in the Outer Continental Shelf, critics of the law say there is enough legal ambiguity to ensure that jurisdictional issues remain unless Congress addresses the issue.

Industry groups said Gilchrest's amendments under HR 3577 do not try to solve the problem.

Gilchrest's bill would authorize more federal money for state grants addressing coastal pollution. Over a 5 year period, Gilchrest wants budget makers to earmark \$426 million.

"While we support the laudable goals of the Coastal Zone Management Act, we feel strongly that the consistency provisions, as currently implemented, significantly hinder domestic energy development," said National Ocean Industries Association spokesman Tom Michels. " And despite significant evidence supporting this, HR 3577 does not address any of these problems, such as no clear delineation of timing with regard to permit approvals, and a de facto state veto over activities taking place on the submerged lands of the federal OCS."

Industry officials hope that when the full committee meets to consider the bill, some of the changes they are seeking may be approved. It is unclear when lawmakers in the House will revisit the issue, congressional staff said, although the full committee is expected to take up the issue by spring.

The industry coalition is seeking "technical" amendments that may be difficult for some lawmakers to support, congressional sources said. For instance, environmental groups and some state organizations, such as the National Governors' Association oppose an industry proposal to give the Secretary of Interior the authority to override state appeals concerning OCS activities.

Industry also wants to put a specific deadline in place for the appeal process "otherwise, continuing abuse will be endemic to the decisional process," the letter to Gilchrest said.

Industry also wants more interagency coordination on offshore permits and wants to stop states from "interfering" by conducting "consistency" reviews that try to restrict drilling in neighboring states.

The industry coalition includes NOIA, the American Petroleum Institute, Independent Petroleum Association of America, Domestic Petroleum Council, US Oil & Gas Association, Natural Gas Supply Association, and the International Association of Drilling Contractors.